

News Brief:

MGE Lowers Electric & Gas Adjustment charges



Customers will save on heating & power costs this winter.

The Middleborough Gas & Electric Department has dropped the fuel adjustment charges for both electric and natural gas use, effective January 1, 2010. The new electric Purchased Power Adjustment (PPA) will be 10.3 cents per kilowatt hour (kwh) and the new Purchased natural Gas Adjustment (PGA) will be 99.24 cents per hundred cubic feet (ccf).

Typical customer bills will save:

...about \$4.50 per month for the typical 750 kilowatt hour electric home use. (new typical bill will be \$121.14)

...about \$3.00 per month for the lower 500 kilowatt hour electric home use. (new typical bill will be \$83.02)

...about \$27.50 per winter heating month for the typical 275 ccf natural gas home use (the new typical bill will now be \$457.93)

What these charges are for:

The PPA and PGA fuel charges reflect a pass-through to customers of the wholesale cost of electricity and natural gas purchased by the Department. Both charges have been rising since 2007, with the rise in energy costs around the world. However in the past year, the costs of oil and natural gas have moderated, making more available to us as our previous contracts run out.

Why we're dropping charges as others raise theirs:

Other regional utilities like NStar and National Grid typically raise their fuel charges before the prices for these fuels rise during high winter demand. But MG&E is a customer-owned utility and we try to keep our rates steady, buying longer-term supplies and speculating less. Sometimes this means our prices could be higher when others are dropping. But, typically our rates are lower – especially electric charges – and we lower them whenever we have the ability to do so, not only when our customers use less but also when they must use more.